

STATISTICAL BRIEF #417

July 2013

Offer Rates, Enrollment Rates, Premiums, and Employee Contributions for Employer-Sponsored Health Insurance in the Private Sector for the 10 Largest Metropolitan Areas, 2012

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Introduction

Employer-sponsored health insurance for current workers is one of the primary sources of health insurance coverage in the United States. According to data from the Insurance Component of the 2012 Medical Expenditure Panel Survey (MEPS-IC), approximately 94.1 million of the 111.1 million employees from the private sector worked in firms where the employer offered health insurance. Of those employees who worked where health insurance was offered, approximately 55.4 million were enrolled.

This Statistical Brief presents average offer and enrollment rates, and premiums and employee contributions to premiums for single, employee-plus-one, and family coverage sponsored by private-sector employers in the 10 largest metropolitan areas of the United States. It compares these values to national averages for the private sector. These values for employer-sponsored health insurance vary considerably by geographic area and other factors, such as size of firm and industry. The MEPS-IC also collects information from state and local governments, but those data are not included in this Brief.

Only those estimates with a statistically significant difference from the national average at the 0.05 percent significance level are noted in the text.

Findings

Offer rates

Of the 111.1 million private-sector employees in the United States in 2012, 84.7 percent worked where employer-sponsored health insurance was offered (figure 1). Among the 10 largest metropolitan areas—in order of population size—New York (87.0 percent), Philadelphia (90.7 percent), Washington, D.C. (88.0 percent), Atlanta (88.7 percent), and Boston (90.6 percent) all had a higher percentage of employees working where health insurance was offered than the national average. Only Los Angeles (81.8 percent) had a lower-than-average percentage.

Enrollment rates

Of all private-sector employees in the U.S. who worked where health insurance was offered, 58.9 percent enrolled (figure 2). Dallas-Fort Worth (64.2 percent) was the only one of the 10 largest metropolitan areas with a percentage that differed from the national average.

Highlights

- Of the 10 largest metropolitan areas, New York, Philadelphia, Washington, D.C., Atlanta, and Boston all showed higher percentages of employees working where health insurance was offered than the 84.7 percent national average. Dallas-Fort Worth was the only area where the percentage of employees enrolled where health insurance was offered (64.2 percent) exceeded the U.S. average of 58.9 percent.
- New York and Boston had average premiums and average employee contributions for single coverage that were higher than the national averages.
- Boston was the only area of the 10 largest with an average premium (\$13,105) and an average employee contribution (\$3,275) for employee-plus-one coverage which were both higher than the corresponding national averages.
- Washington, D.C., and Boston had average premiums and average employee contributions for family coverage above the national averages for employer-sponsored health insurance.

Single coverage

The U.S. average premium for those enrolled in employer-sponsored single coverage was \$5,384 in 2012 (figure 3). Dallas-Fort Worth was the sole area with a below-average premium (\$4,916). New York (\$6,223), Philadelphia (\$5,877), and Boston (\$6,060) had single premiums above the national average. Dallas-Fort Worth (\$925) was also the sole area of the 10 largest metropolitan areas with an employee contribution for single coverage that was less than the U.S. average of \$1,118. Average employee contributions in New York (\$1,225), Miami-Fort Lauderdale (\$1,277), and Boston (\$1,455) exceeded the national average.

Employee-plus-one coverage

Nationwide, employer-sponsored health insurance in 2012 had an average premium of \$10,621 for employee-plus-one coverage (figure 4). The average premium was higher in New York (\$11,941), Philadelphia (\$11,214), and Boston (\$13,105) than nationally. The remaining seven of the 10 largest areas did not have employee-plus-one premiums that differed from the national average. In the U.S., the employee contribution to the premium for employee-plus-one coverage averaged \$2,824. None of the 10 largest areas had an average contribution less than the U.S. average; the Houston (\$3,486), Miami-Fort Lauderdale (\$3,375), and Boston (\$3,275) metropolitan areas had higher employee contributions than the U.S. average for employee-plus-one coverage.

Family coverage

The 2012 U.S. private-sector average premium for employer-sponsored family coverage was \$15,473 (figure 5). New York (\$17,867), Washington, D.C. (\$16,362), and Boston (\$17,296) had family premiums that were above the national average. Of the remaining seven areas, Dallas-Fort Worth (\$14,326) was the only one with a below-average family premium; family premiums for the others did not differ from the U.S. average. The national average employee contribution toward the family premium was \$4,236. Miami-Fort Lauderdale (\$6,042), Washington, D.C. (\$4,723), and Boston (\$4,544) each had an average employee contribution to family coverage that was higher than the national average. Of the remaining areas, only Chicago differed from the U.S. figure, with a below-average family contribution of \$3,941.

Data Source

This Statistical Brief summarizes data from the 2012 MEPS-IC. The data are available on the MEPS Web site at http://www.meps.ahrq.gov/mepsweb/survey_comp/Insurance.jsp or have been produced using special computation runs on the confidential MEPS-IC data available at the U.S. Census Bureau.

Definitions

Single coverage

Single coverage is health insurance that covers the employee only.

Employee-plus-one coverage

Health insurance that covers the employee and one other family member at a lower premium level than family coverage. If premiums differed for employee-plus-spouse and employee-plus-child coverage, information for employee-plus-child coverage was collected.

Family coverage

Family coverage is health insurance that covers the employee and one or more family members (spouse and/or children as defined by the plan). For the MEPS-IC survey, family coverage is any coverage other than single and employee-plus-one. Some plans offer more than one rate for family coverage, depending on family size and composition. If more than one rate is offered, survey respondents are asked to report costs for a family of four.

Metropolitan areas

Metropolitan areas are Metropolitan Statistical Areas (MSAs) defined and published by the Office of Management and Budget (OMB) as of June 6, 2003. Counties included in each area can be found in the Appendix of OMB Bulletin No. 04-03: (<http://www.whitehouse.gov/omb/bulletins/fy04/b04-03.html>). The name of the central city of each MSA has been used in the text and tables for convenience and brevity. The areas consist of more than the central cities. For instance, Washington, D.C., consists of the central city plus counties in Maryland, Virginia, and West Virginia.

About MEPS-IC

The MEPS-IC is a survey of business establishments and governments that collects information on employer-sponsored health insurance, such as whether insurance is offered, enrollments, types of plans, and premiums. The survey is conducted annually by the U.S. Census Bureau under the sponsorship of the Agency for Healthcare Research and Quality (AHRQ). A total sample of approximately 42,000 private-sector establishments was selected for the 2012 survey, with 7.0 percent of the sample determined to be out-of-scope during the data collection process. The response rate for the private sector was 79.9 percent of the remaining in-scope sample units.

For more information on this survey, see *MEPS Methodology Reports 6, 8, 10, 14, 17, 18, and 27* on the MEPS Web site at http://www.meps.ahrq.gov/mepsweb/data_stats/Pub_ProdLookup_Results.jsp?ProductType=Methodology%20Report&Comp=Insurance and Insurance Component Survey Basics at http://www.meps.ahrq.gov/mepsweb/survey_comp/Insurance.jsp

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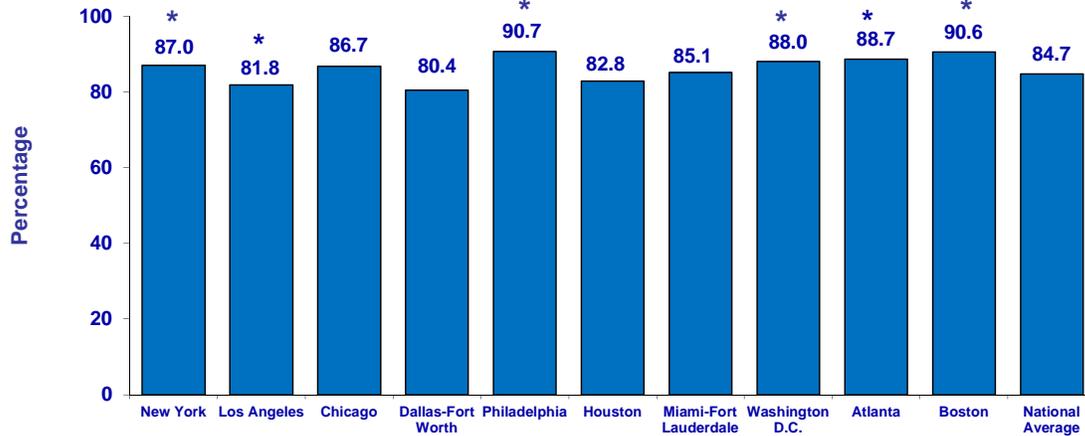
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AHRQ welcomes questions and comments from readers of this publication who are interested in obtaining more information about access, cost, use, financing, and quality of health care in the United States. We also invite you to tell us how you are using this Statistical Brief and other MEPS data and tools and to share suggestions on how MEPS products might be enhanced to further meet your needs. Please email us at MEPSProjectDirector@ahrq.hhs.gov or send a letter to the address below:

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Figure 1. Percentage of private sector employees who worked where health insurance was offered, U.S. and 10 largest metropolitan areas, 2012

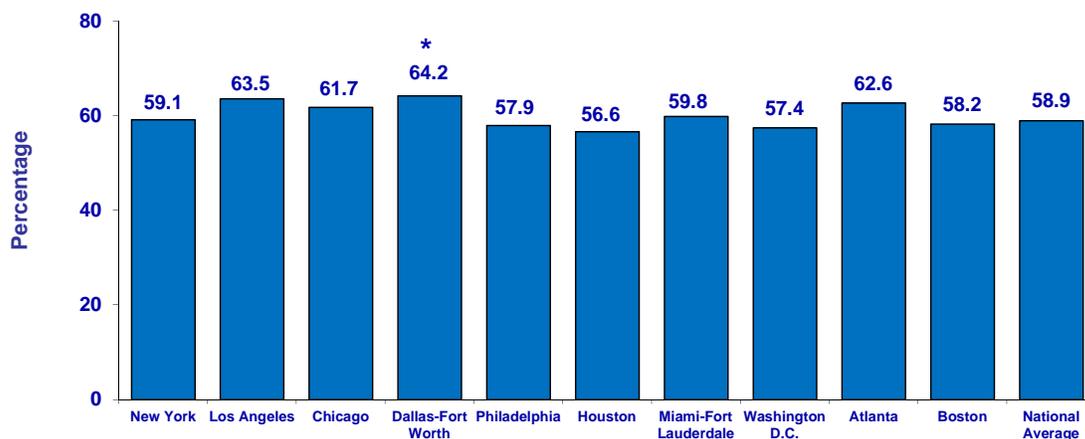


* Statistically different than the National Average at the 0.05 level

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012



Figure 2. Percentage of private sector employees enrolled in health insurance in establishments that offered health insurance, U.S. and 10 largest metropolitan areas, 2012

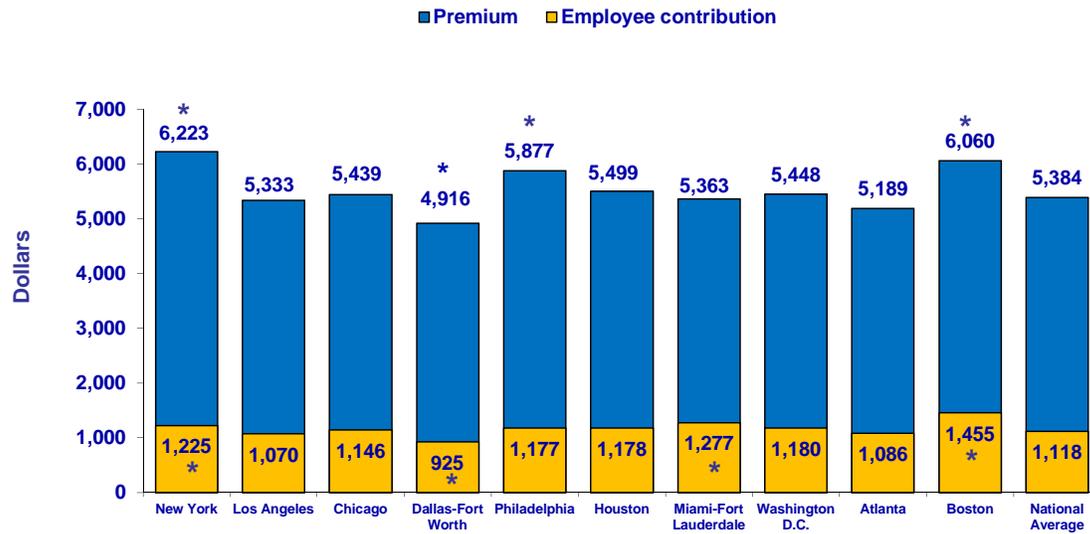


* Statistically different than the National Average at the 0.05 level

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012



Figure 3. Average single premium and contribution per enrolled employee at private sector establishments offering health insurance, U.S. and 10 largest metropolitan areas, 2012

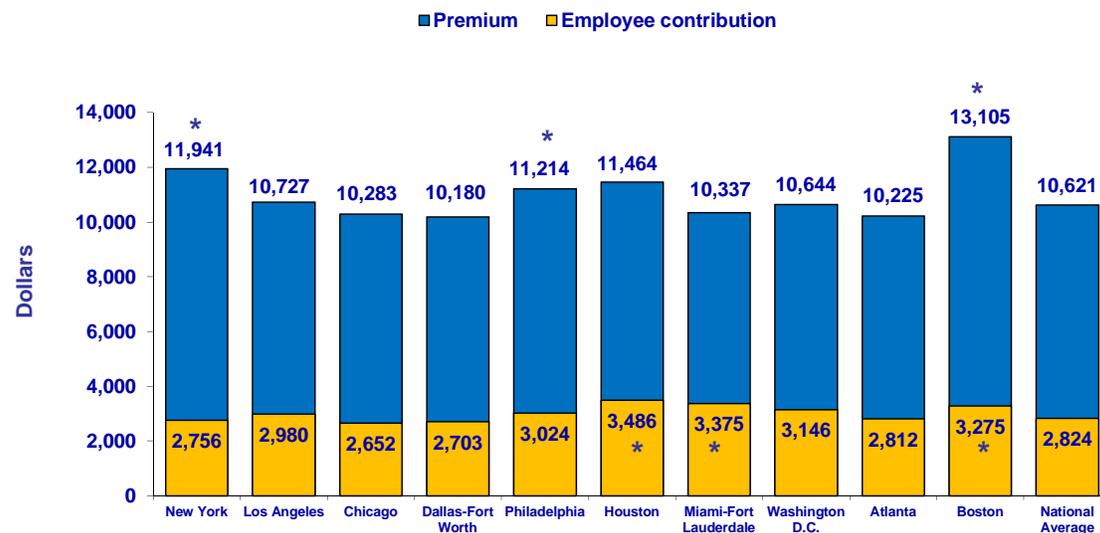


* Statistically different than the National Average at the 0.05 level

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012



Figure 4. Average employee-plus-one premium and contribution per enrolled employee at private sector establishments offering health insurance, U.S. and 10 largest metropolitan areas, 2012

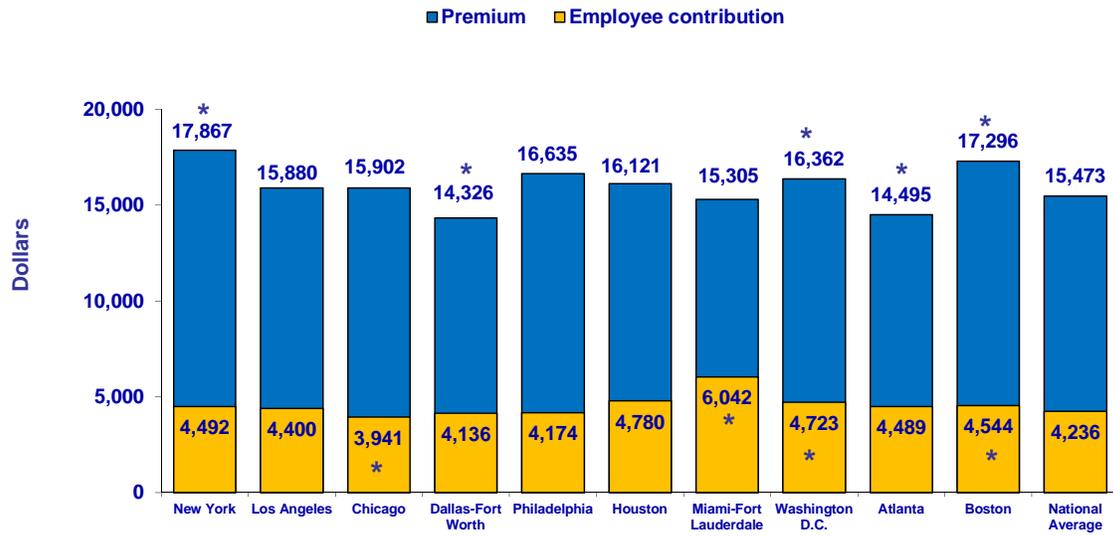


* Statistically different than the National Average at the 0.05 level

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012



Figure 5. Average family premium and contribution per enrolled employee at private sector establishments offering health insurance, U.S. and 10 largest metropolitan areas, 2012



* Statistically different than the National Average at the 0.05 level

Source: Center for Financing, Access, and Cost Trends, AHRQ, Insurance Component of the Medical Expenditure Panel Survey, 2012